



Non-profit organisations (NPO) updates from the JFSC

Q4 2023

Welcome to our NPO newsletter

Our quarterly update highlighting upcoming events, key contacts, and helpful links



A review of 2023

We have now had one full year of Prescribed NPO supervision in Jersey

On 1 January 2023, the NPO Order was introduced in Jersey. One year later, we reflect on our achievements and what happens next.

In 2023:

- 100+ NPO applications were processed
- 400+ interactions have taken place with the NPO sector including:
 - a Memorandum of Understanding signed with the Jersey Charities Commissioner
 - four drop-in sessions

- three live events and a recorded video
- four NPO quarterly newsletters
- we launched an updated NPO section of our website containing videos, and additional guidance
- we launched a dedicated section of our Handbook (section 17) to provide an overview of requirements and further guidance
- the first NPO examination took place and a [feedback paper](#) was published
- [guidance on suspicious activity reporting](#) was issued for NPOs
- guidance issued to the donor community in our [Q3 2024 newsletter](#).

We are grateful to Jersey's NPO sector for your engagement and commitment to protecting Jersey's non-profit sector. We continue to be incredibly proud of the work being undertaken and take our role in the protection of this sector seriously so that it can continue its good works for years to come.



Topic of the quarter

Diversion risk

What is diversion risk and how can it be mitigated?

Diversion is one of the key ways NPOs may be abused for terrorist financing.

Our Handbook defines diversion as “transactions that divert funds away from the NPO’s legitimately intended purposes to a terrorist, terrorist cell or terrorist organisation for them to benefit from, directly or indirectly.”



diversion

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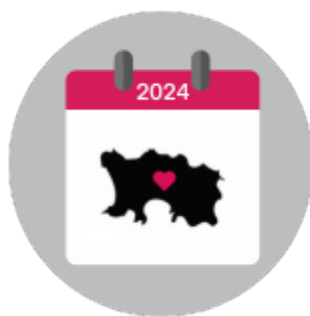
Diversion risk may increase where an NPO:

- has a high-risk appetite, and a low level of terrorist financing risk controls
- is too focused on assisting beneficiaries without considering proportionate risk management measures
- takes the view that if no incidents are reported, or that the diverted value is small, the risk of terrorist financing abuse is negligible. It is worth reflecting that even when utilising small amounts, a bad actor can cause great harm
- does not consider “transfer risk”, i.e., the risk that funds transferred via third parties do not reach the intended ultimate beneficiary.

Prescribed NPOs can refer to section 17.3 of the [AML/CFT/CPF Handbook](#) for further information on the topic of Diversion and guidance on how mitigation measures may be implemented in practice.

Coming up

- Continued outreach and engagement with the non-profit sector.
- Continued collaboration with the Jersey Charities Commissioner.
- As we did in 2023, we will visit a small selection of NPOs to conduct an onsite assessment based on a specific theme. As always, following these visits, a feedback paper containing further guidance will be published for the wider sector to benefit from.



[Keep an eye out for our upcoming events and webinars](#)

Get in touch

Is there a topic you'd like us to cover in our next newsletter? Get in touch and let us know:



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Links and additional guidance

Visit the [NPO section](#) of our website for additional information and video guidance.

- [Non-Profit Organizations \(Jersey\) Law 2008 \(jerseylaw.je\)](#)
- [Non-Profit Organisations \(Prescribed NPOs – Additional Obligations\) \(Jersey\) Order 2022 \(jerseylaw.je\)](#)
- [is-your-organisation-an-npo-and-what-that-means-in-practice.pdf \(jerseyfsc.org\)](#)
- [handbook-section-17.pdf \(jerseyfsc.org\)](#) – Section 17
- <https://www.jerseyfsc.org/industry/sectors/non-profit-organisations/>



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